

US auto talks—deal reported near between UAW and DaimlerChrysler

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Bargainers for the United Auto Workers union and DaimlerChrysler are reportedly near an agreement on a new national contract covering nearly 75,000 workers at the German-American automaker's US plants. The agreement is expected to set the pattern for another 300,000 UAW members at US plants owned by Ford Motor Co., General Motors and Delphi Automotive Systems, the parts manufacturer recently spun off by GM.

The UAW “indefinitely” extended its old contract with DaimlerChrysler just minutes before it expired midnight Tuesday. Earlier in the day the union extended its contracts with GM and Ford.

While little detail has been made public about the possible deal, analysts say the pact will likely contain 3 to 4 percent annual raises. The new contract with DaimlerChrysler is also rumored to be a four-year agreement, instead of the current three-year pact.

The moderate wage offer was expected because the auto companies, which are enjoying record-setting sales, are flushed with a combined cash reserve of \$50 billion. UAW Big Three workers have not had an agreement that included wage increases in each year of the contract since 1982. Taking inflation into account, the average auto worker today earns only 1.2 percent more in hourly wages that his counterpart did in 1978.

In exchange for the wage increases the auto companies intend to extract further productivity increases to offset the higher per unit labor costs. They are also seeking a free hand to further downsize their operations. Since the late 1970s the Big Three has eliminated hundreds of thousands of jobs, including a quarter of a million at GM alone.

Last week UAW President Stephen Yokich said DaimlerChrysler and GM had made the best offers the union had ever seen. He praised the so-called lifetime

job guarantees the companies included for workers with 10 years or more seniority. With nearly half of the Big Three's UAW-represented workers expected to retire within the decade, the auto companies gave up very little with this offer. In exchange, the union agreed to allow greater “flexibility” in hiring and job rules for newer employees.

Similar to previous UAW “job security” provisions, this proposal is conditioned on maintaining a high level of sales. Such a provision in the 1996 agreement did nothing to stop GM from eliminating 25,000 jobs through attrition.

The major sticking point in the UAW-DaimlerChrysler negotiations is apparently the union's demand that the auto company assist it in recruiting new members at nonunion assembly plants and parts facilities.

The UAW wants the company to help unionize the 1,300 workers at its Mercedes Benz plant in Vance, Alabama, as well as workers at three Freightliner truck facilities in the Carolinas. Yokich has asked the company to furnish lists of employees at its nonunion plants, give the union office space in its nonunion facilities and make public statements that plants won't close if the union wins an election. The UAW also wants management to recognize the union without an election, if at least half the workers sign cards indicating interest. DaimlerChrysler Co-Chairman Robert Eaton has maintained the company's position that the union hold government-supervised secret ballot elections.

The UAW's dismal record of defending auto workers' jobs and livings standards, as well as its open embrace of management's interests, has generated little support among nonunion auto workers. In Alabama the UAW has leased billboards that read: “The UAW and

DaimlerChrysler, working together to be nothing but the best.” The advertising includes a picture of Yokich with a caption that stresses that he is not only the president of the UAW, but also a member of DaimlerChrysler's board of directors. As one Mercedes worker asked the *Automotive News*, “Isn't that a conflict of interest?”

Except for three Japanese-managed auto plants that were launched in partnership with the Big Three in the 1980s, the UAW has failed to organize a single foreign-owned auto factory in the US. The UAW wants Big Three support in organizing these “transplants” and factories in the fast-growing independent parts sector, where the unionization rate has fallen to 23 percent from 52 percent two decades ago.

While the UAW bureaucracy has little concern for the conditions of rank-and-file workers, it is concerned over the loss of dues income that will come with a further loss of membership. In 1979 there were 1.5 million active UAW members. Today there are 770,000. In return for the auto companies' cooperation in signing up new members the UAW has pledged its assistance in further cost-cutting and downsizing. If and when the UAW gains access to the parts plants, it is prepared to maintain the sweatshop conditions that enable these companies to provide low-cost components, with the proviso that workers pay dues to the UAW.

To press its demands the UAW stage-managed a series of “wildcat” strikes at five key DaimlerChrysler facilities in Fenton, Missouri and Kokomo, Indiana before extending the contract Tuesday night. After a few hours the union ordered the employees back to work.

Analysts are discounting any possibility of a national strike over this or any other issue with the Big Three companies. The UAW has gone out of its way to make clear that it wants no repeat of last summer's walkout at GM, which led to the shutdown of the company's North American operations. In opening the negotiations last June Yokich said, “The real story is that we've become partners in some of the most profitable companies in the world. That's why the term ‘target’ or ‘strike target’ no longer fits the negotiating process.”

The UAW is waiting until last to settle with Ford. The company is planning to spin off its Visteon parts division, which employs 23,500 of Ford's 101,000

workers. Workers fear that they will face wage cuts and the loss of benefits and profit-sharing if Visteon carries out its widely anticipated merger with the Southfield, Michigan-based Lear Corporation.

Although workers voted overwhelmingly to strike Ford over the issue, analysts say the union has no intention to disrupt its close relations with the number two automaker. They predict that Ford will offer Visteon workers guarantees on the pay and benefits they get under the Ford pact while also sweetening pension offers and allowing Visteon workers to take vacant jobs at Ford plants. Once the older, better paid workers leave, the parts company will hire younger workers as low-wage replacements.



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